



Universidad
Carlos III de Madrid
www.uc3m.es

TESIS DOCTORAL

Three essays on board composition

Autor:

Anna Menozzi

Director:

María Gutiérrez Urtiaga

DEPARTAMENTO

Departamento de Economía de la Empresa

Getafe, octubre 2014



TESIS DOCTORAL

Three essays on board composition

Autor: Anna Menozzi

Director:

María Gutiérrez Urtiaga

Firma del Tribunal Calificador:

Firma

Presidente: Pablo de Andrés Alonso

Vocal: Josep Tribó Giné

Secretario: Marco Trombetta

Calificación:

Getafe, de de

Three essays on board composition

PhD candidate: Anna Menozzi

Universidad Carlos III de Madrid

Departamento de Economía de la Empresa

Doctorado en Economía de la Empresa y Métodos Cuantitativos

October 2014

Abstract

The thesis consists of three articles concerning the composition of board of directors in Italy.

The first article analyzes the effects of board composition on the behaviour of a sample of 114 Italian local public utilities, for which information about 1630 directors during 1994–2004 has been collected. During this period, the deregulation process inspired institutional interventions that forced utilities, traditionally owned by local municipalities, to change their juridical form and ownership structure, thereby facilitating the entrance of private investors. The main findings indicate that politically connected directors, who dominate boards of directors in Italian public utilities, exert a positive and significant effect on employment, and have a negative impact on performance.

The second article investigates the determinants of board compensation for the same sample of Italian local public utilities observed from 1994 through 2004. Average board pay is found to be positively related to firm dimension and negatively related to board size. The public or private nature of the major shareholder does not influence board compensation but the juridical form does. Finally, while the proportion of politically connected directors is found to negatively influence the level of per capita compensation, the impact of firm performance is uncertain.

The third paper deals with diversity as a key factor to improve the board of directors' decision process in family firms. The empirical literature about board diversity points at the positive impact of diversity on board functioning and firm performance. The empirical analysis is based on a newly collected panel of 327 Italian family firms including data on their board of directors during the period 2003-2007. We find that firm performance is positively related to a global, statistical measure of board diversity. In particular, the presence of gender diversity and a good mix of executive and non-executive managers show the strongest econometric significance, suggesting that diversity is an important factor to improve board decisions.

ÍNDICE

1. Menozzi, Anna; Gutiérrez Urtiaga, María and Vannoni, Davide. Board composition, political connections, and performance in state-owned enterprises. *Industrial and Corporate Change*, 2012, v. 21, n. 3, pp. 671-698.

DOI: 10.1093/icc/dtr055.

URI <http://hdl.handle.net/10016/20458>

2. Menozzi, Anna; Erbetta, Fabrizio; Fraquelli, Giovanni & Vannoni, Davide. The determinants of board compensation in SOEs: an application to Italian local public utilities. *Applied Financial Economics*, 2014, v. 24, n.3, pp. 145-159.

DOI: 10.1080/09603107.2013.870649.

URI <http://hdl.handle.net/10016/20459>

3. Menozzi, Anna; Fraquelli, Giovanni; Novara, Jolanda de. Board diversity in family firms. [2013?]

URI <http://hdl.handle.net/10016/20470>